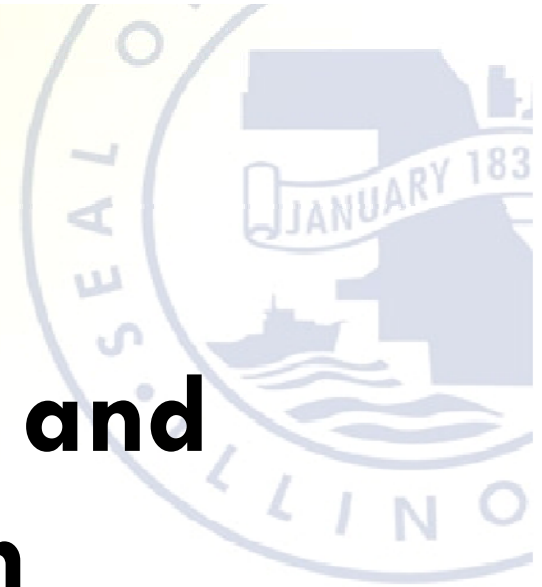


Cook County Health & Hospitals System



Cook County Health and Hospitals System

Proposed FY 2014 Preliminary Budget

CCHHS

Agenda

- ❑ Budget Calendar
- ❑ CCHHS Budget – Key Principles
- ❑ Summary of Revenue and Expenditures
- ❑ CCHHS Revenue
- ❑ CCHHS Expenditures
- ❑ Positions



2014 Budget Calendar

August 8	CCHHS Budget Recommendation Finalized and Provided to CCHHS Board
August 12-16	CCHHS Board Briefings
August 16	CCHHS Budget Submitted to CCHHS Finance Committee
August 19-23	CCHHS Public Hearings on Proposed Budget
August 23	CCHHS Budget Submitted to CCHHS Board
September 11	CCHHS Budget provided to Cook County Finance Committee
October	President's Executive Budget to the Board of Commissioners
November	Final vote/amendments to President's Executive Budget

Key Principles

No service reductions or layoffs

Invest in the patient experience to retain patients post Medicaid expansion

- Retain all positions/vacancies to improve services and frontline staffing levels
- Expand CountyCare network to increase patient access
- Continue implementation of the patient centered medical home

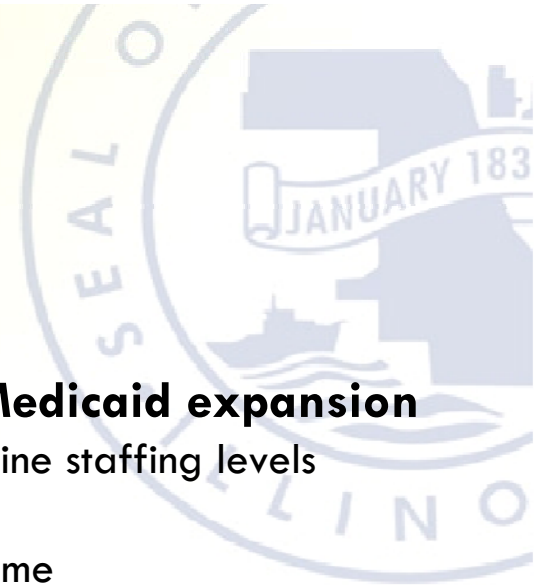
Improve and develop CCHHS infrastructure

- Expand and support Human Resources capacity
- Improve Information Systems to meet regulatory requirements for ICD-10, electronic medical records, and Meaningful Use
- Develop Information Systems Business Intelligence to provide leadership data for informed decision-making

Meet requirements of Cermak DOJ Consent Decree

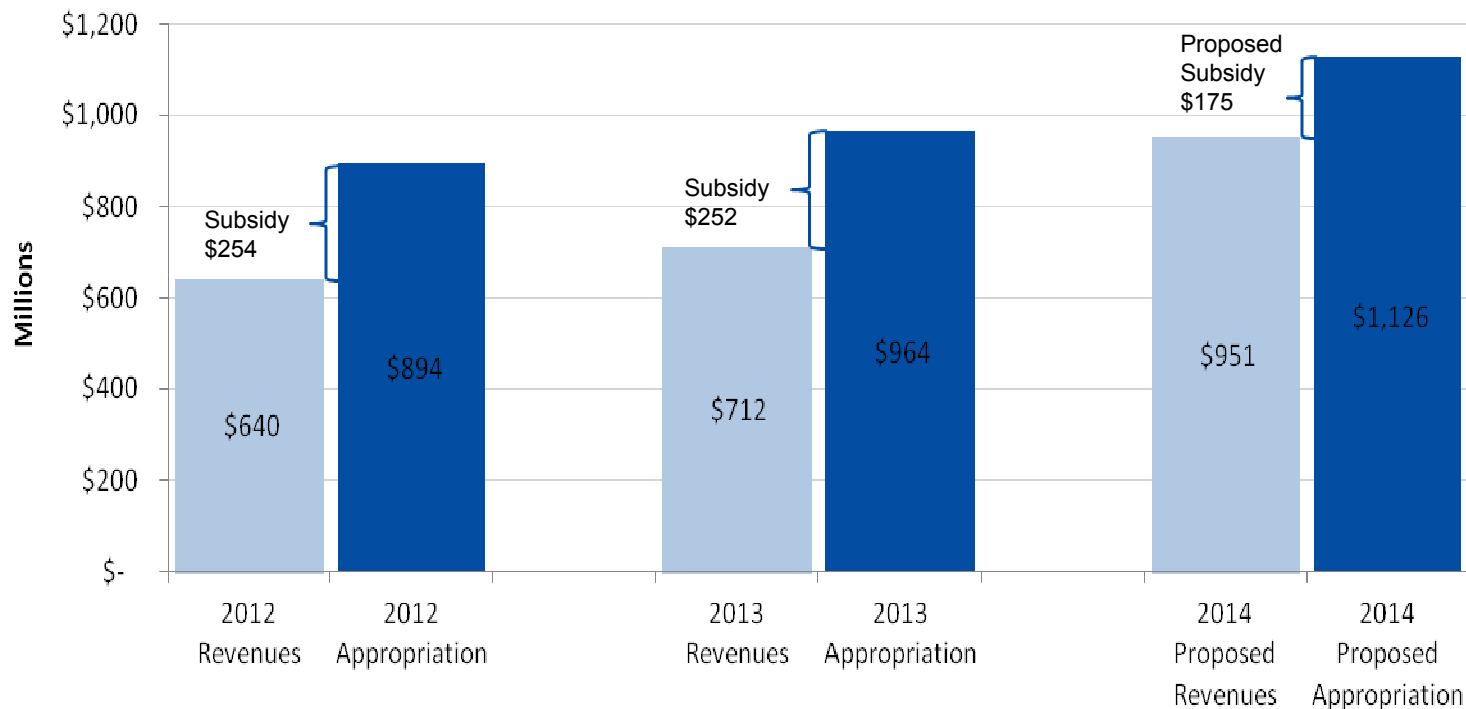
Develop budget based on achievable revenue assumptions

Reduce taxpayer burden and dependency on County funding



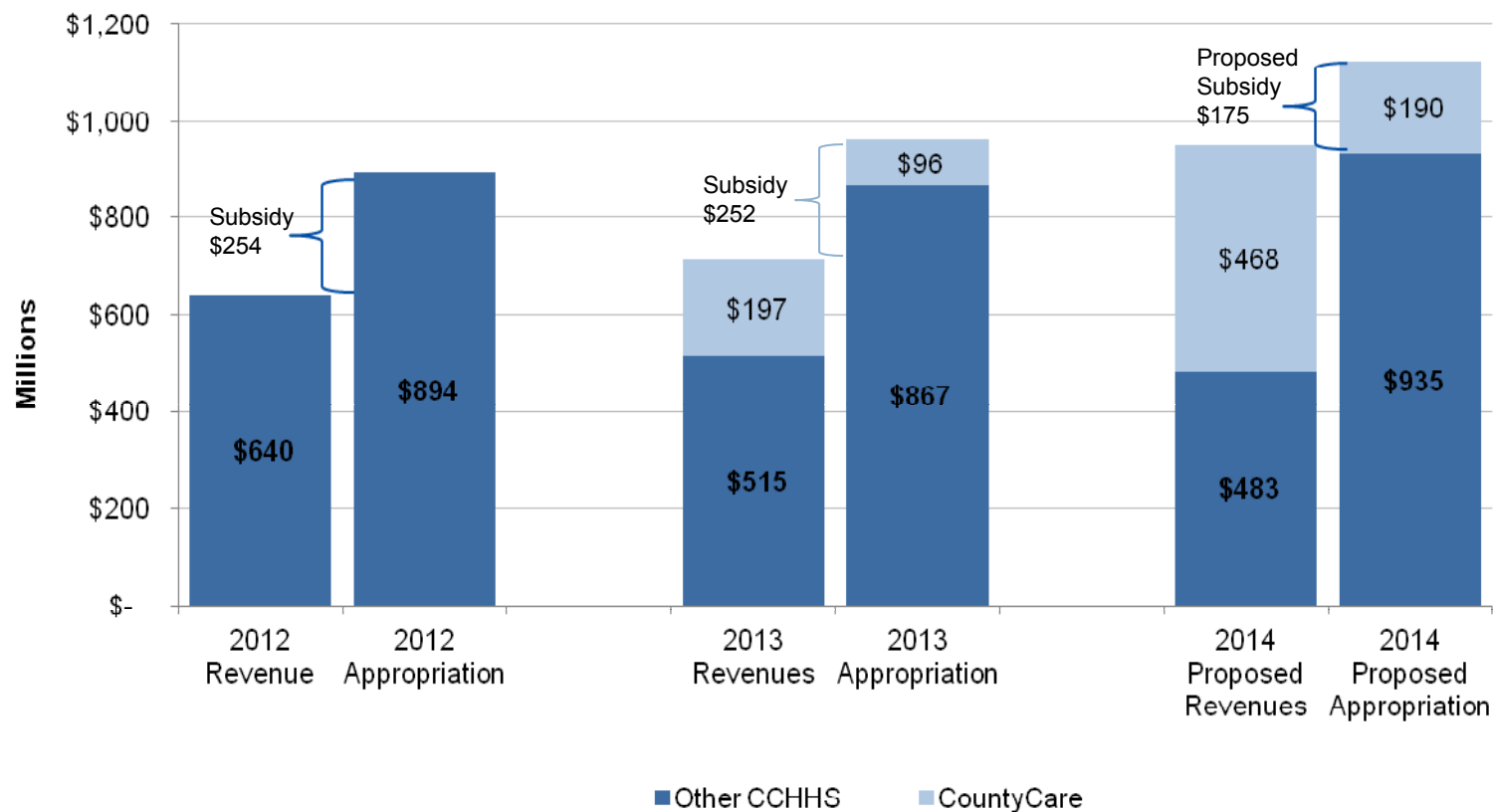
Health System Comparison

CCHHS Budgeted Revenues and Appropriation

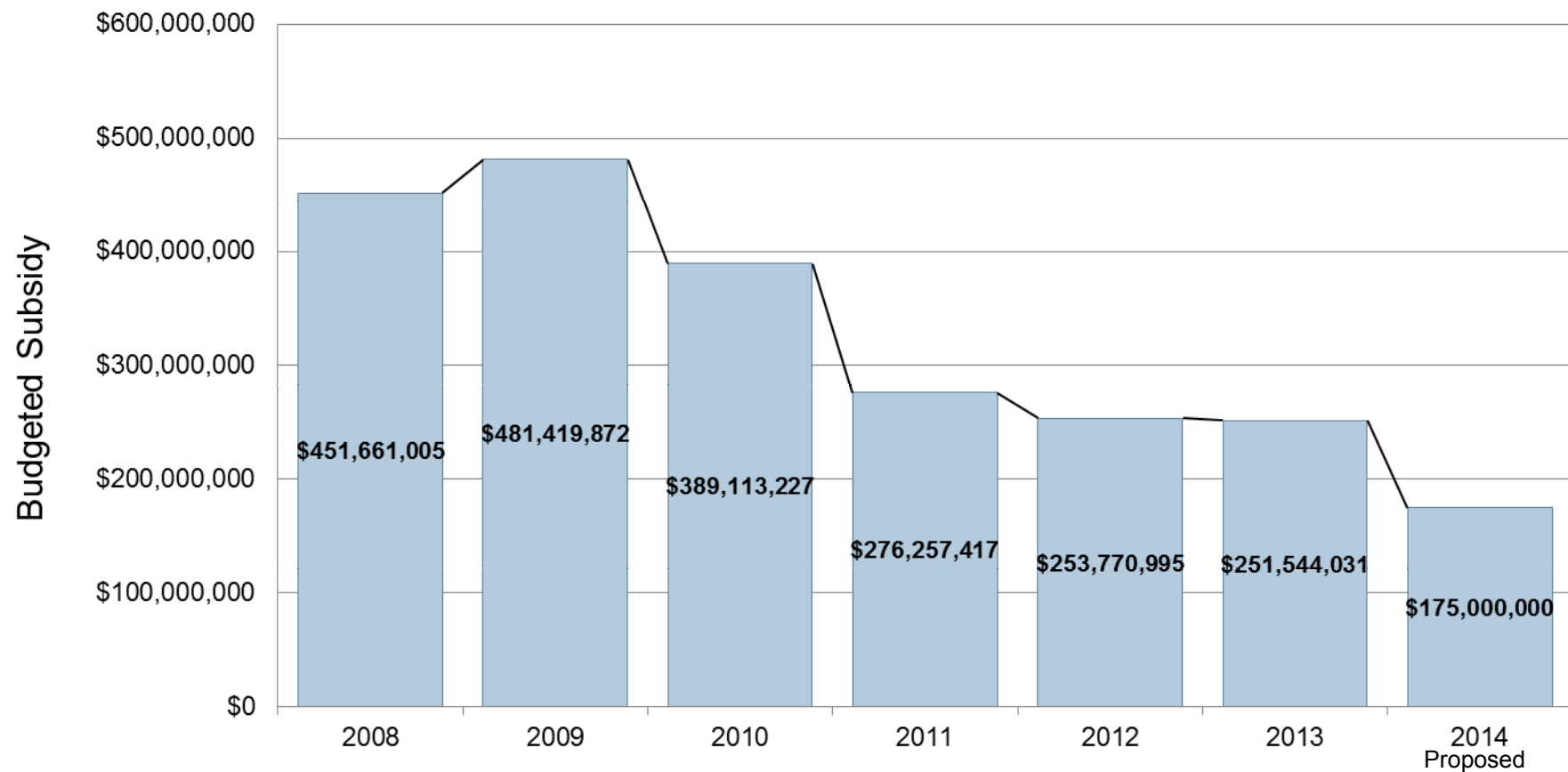


Health System Comparison

CCHHS Budgeted Revenues and Appropriation



County Subsidy



Revenue Budget

- Revenue increase of \$238.6M to a total \$950.7M
- Revenue estimates based on current experience and trends
- Increase reflects CountyCare impact of 100% FMAP and full year membership of 56,131 patients
- CountyCare membership of 56,131 reflects a conservative estimate for budgeting purposes due to uncertainty in transition to Medicaid expansion, patient retention, and transition to new state eligibility system

Cook County Health & Hospitals System

FY 2014 Budgeted Revenue by Category

Patient Fees	FY 2013	Proposed FY 2014	Variance
Medicare - Patient Fees	\$52,856,693	\$63,225,000	\$10,368,307
Medicaid - Patient Fees	\$135,238,470	\$129,244,000	(\$5,994,470)
Other Payers - Patient Fees	\$18,822,364	\$19,400,000	\$577,636
Pharmacy Co-Pay & Self-Pay Collections	\$2,412,020	\$3,700,000	\$1,287,980
CountyCare Payments	\$196,964,900	\$468,154,294	\$271,189,394
Physician Billing and Contract Revenues	\$13,074,422	\$12,678,000	(\$396,422)
Total Patient Fees	\$419,368,869	\$696,401,294	\$277,032,425

Supplemental Payments

BIPA	\$131,250,000	\$131,250,000	\$0
BIPA Payback		(\$30,000,000)	(\$30,000,000)
DSH	\$150,800,000	\$145,500,000	(\$5,300,000)
Meaningful Use Payments	\$8,701,573	\$2,452,818	(\$6,248,755)
Total Supplemental Payments	\$290,751,573	\$249,202,818	(\$41,548,755)

Other Revenue

Physician Resident Program	\$348,042	\$370,297	\$22,255
Parking	\$1,000,000	\$797,429	(\$202,571)
Medical Records	\$146,000	\$171,329	\$25,329
Miscellaneous	\$500,000	\$592,229	\$92,229
Public Health Revenue	\$0	\$3,181,800	\$3,181,800
Total Other Revenue	\$1,994,042	\$5,113,084	\$3,119,042

Total 2014 Budgeted Revenue	\$712,114,484	\$950,717,196	\$238,602,712
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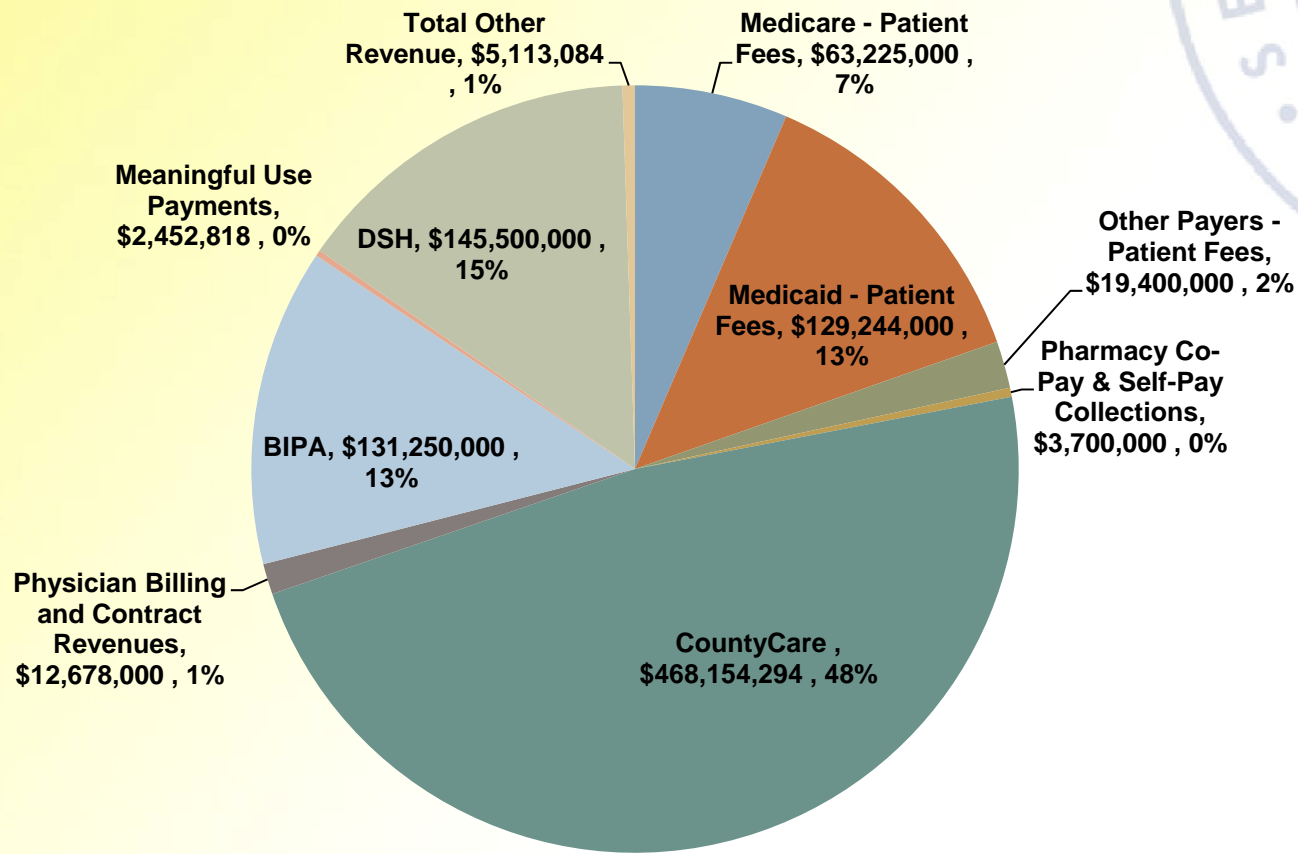
2014 Major Revenue Variances

Compared to 2013 Budget

▲ CountyCare Payments	271.2M
▲ Medicare (Including Medicare, DSH Add-on Payments)	10.3M
▲ Commercial	4.7M
▲ Public Health Revenue	3.2M
▲ Other Revenues Changes	1.6M
▼ BIPA Payback	(30.0M)
▼ Meaningful Use	(6.2M)
▼ Medicaid	(5.9M)
▼ Reduction in Medicaid Disp. Share Hospital Revenue (DSH)	(5.3M)
▼ UPL One-Time Payment	(5.0M)
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▲ TOTAL REVENUE INCREASES	238.6M

Cook County Health & Hospitals System

FY 2014 Revenue by Source



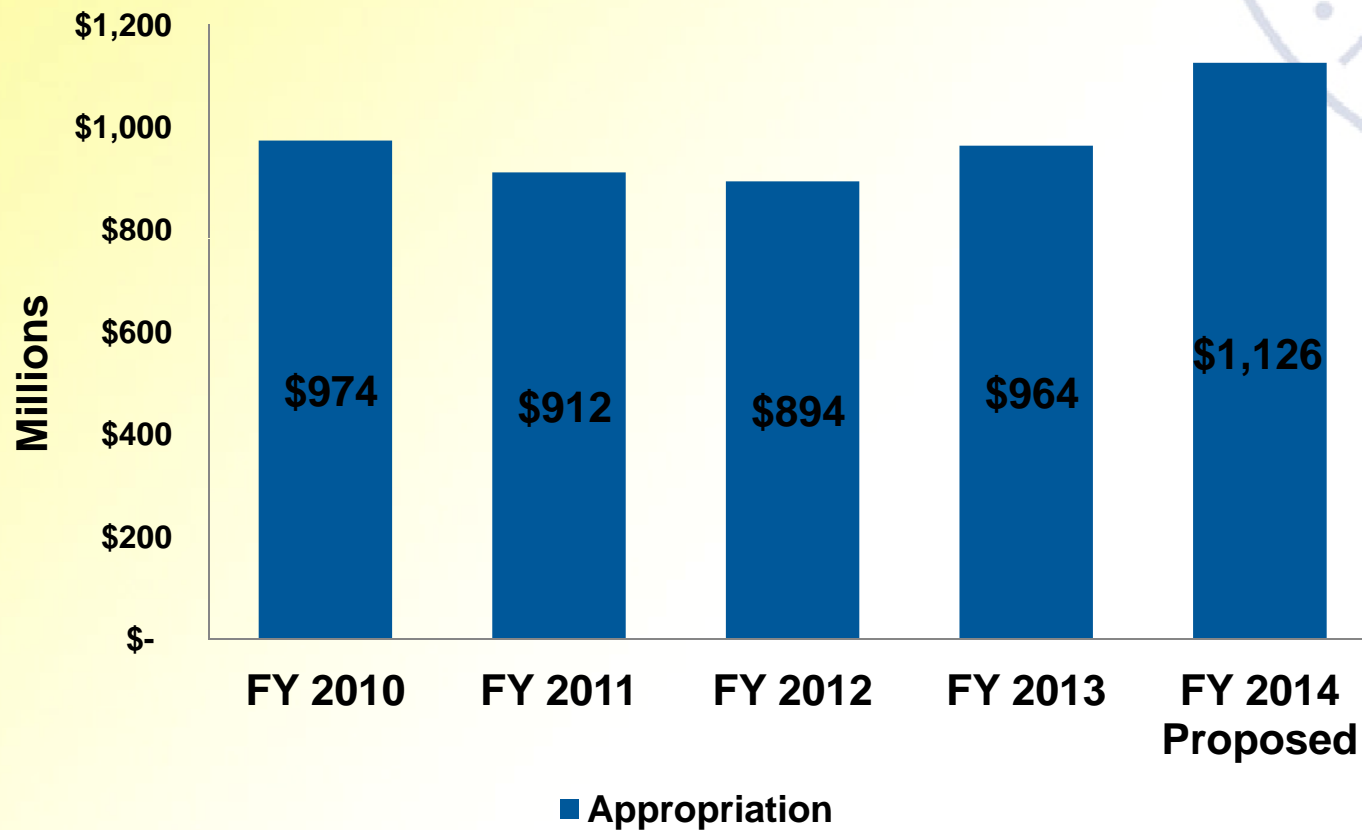
***Excludes \$30M Reduction for BIPA Payback**

CCHHS

Medicaid Expansion (CountyCare)

- CCHHS has submitted application for CountyCare to become an MCCN
- CCHHS exceeding goal to initiate 115,000 applications by year-end
 - August target: 80,500
 - August 11th actual: 88,281
- State doubled staff in June and is increasing productivity of processing applications
- Estimate 56,131 applications approved by December 2013
- Estimate of approved applications is conservatively based on state's current processing rates and does not account for increasing productivity
- In 2014, Federal Medicaid Assistance Percentage (FMAP) will increase from 50% to 100%, increasing revenue CCHHS receives from \$314.48 PMPM to \$629 PMPM
- FY 2014 revenues will be partly offset by increased costs

Historical Appropriation Comparison



*Includes Fixed Charges

Cook County Health & Hospitals System

FY 2014 Operating Budget Summary

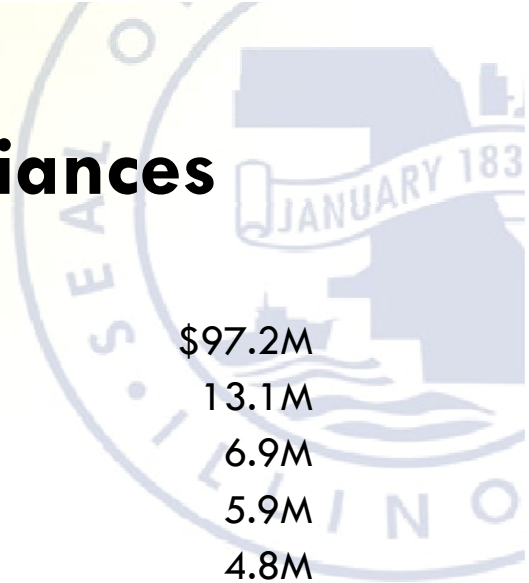
Department	FY 2013 Adjusted	FY 2014 Proposed	Variance
240 – Cermak	\$40.7 M	\$46.6 M	\$5.9 M
241 – JTDC – Health	\$3.9 M	\$3.9 M	\$0.0 M
890 – Health System Administration	\$165.8 M	\$189.5 M	\$23.7 M
891 – Provident Hospital	\$48.3 M	\$48.4 M	\$0.1 M
893 – ACHN	\$51.6 M	\$51.5 M	(\$0.1) M
894 – Core	\$11.5 M	\$11.7 M	\$0.2 M
895 – Public Health	\$16.1 M	\$14.5 M	(\$1.6 M)
896 – Managed Care	\$93.6M	\$190.8 M	\$97.2 M
897 – Stroger Hospital	\$420.2 M	\$445.2 M	\$25.0 M
898 – Oak Forest Health Center	\$11.3 M	\$11.2 M	(\$0.1 M)
Total*	\$863.0 M	\$1,013.3 M	\$150.3 M

*Does not include special-purpose funds and fixed charges (Dpts 544, 564, and 899)
DBMS Data Source

Key Investments

- FY 2014 Budget is \$150.3 million higher than FY 2013
- Areas of significant investment include:
 - CountyCare increase of \$97.2M to align budget with PMPM costs and full-year membership
 - IT increases of \$13.1M for Electronic Medical Records, Meaningful Use, ICD-10 upgrades and Business Intelligence
 - Cermak increase of \$5.9 million including costs of new RTU building
 - Human Resources \$1.0M

2014 Major Expenditure Variances Compared to 2013 Budget



▲ CountyCare	\$97.2M
▲ Information Technology Infrastructure	13.1M
▲ Pharmaceutical Supplies (Excludes Catamaran for CountyCare)	6.9M
▲ Cermak Health Services/RTU Impact	5.9M
▲ Medical Consultation Services	4.8M
▲ Overtime Compensation	3.8M
▲ Surgical Supplies	2.3M
▲ Professional & Managerial Services	2.0M
▲ Clinical and Lab Supplies	1.9M
▲ Registry Services	1.7M
▲ Maintenance and Repair of Various Equipment	1.6M
▲ Rental and Leasing	1.3M
▲ Food Services	1.3M
▲ Utilities	1.1M
▲ Lab Related Services	1.0M
▲ Other non-personnel increases	4.4M

▲ **TOTAL EXPENDITURE INCREASES**

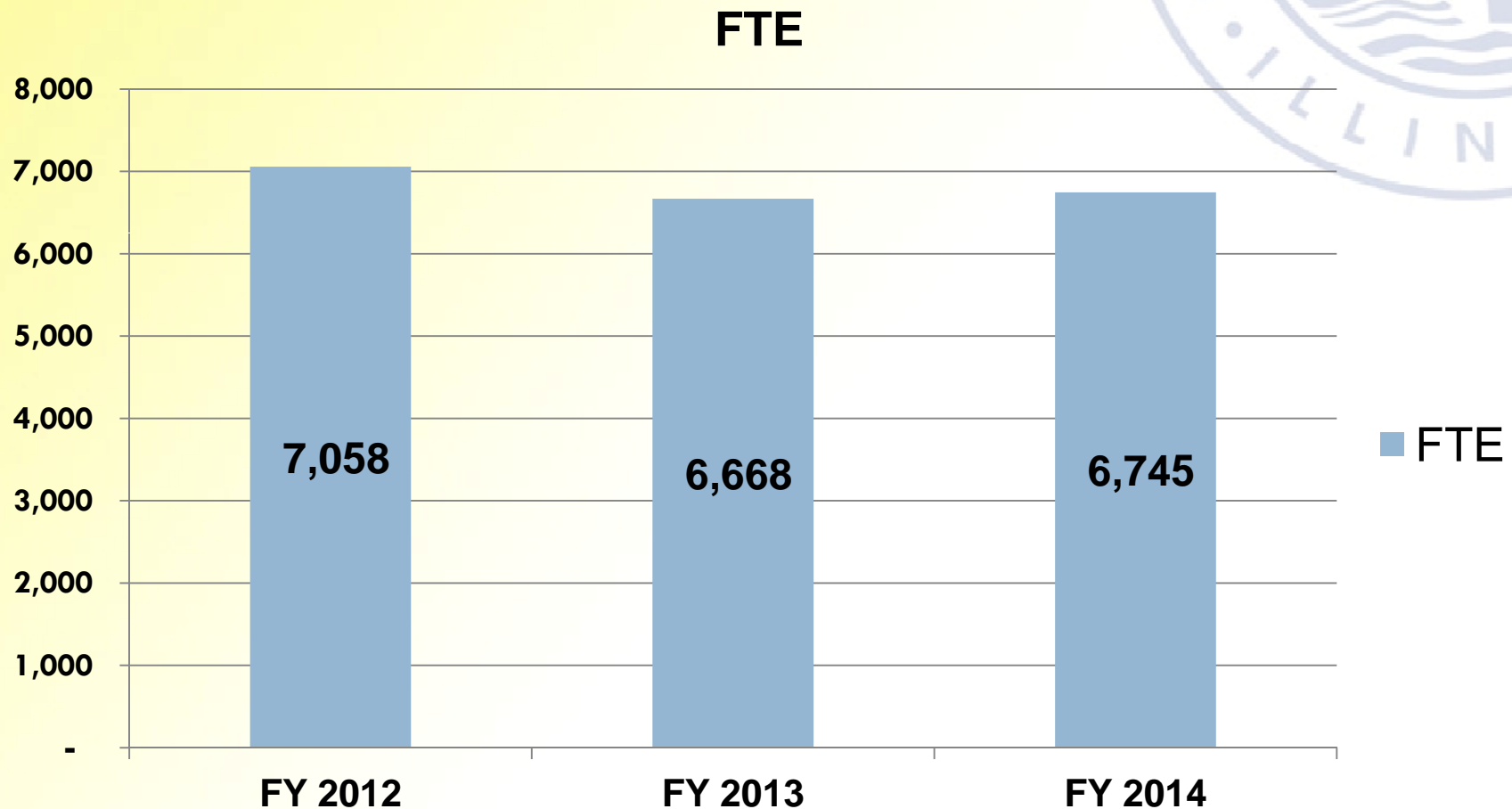
\$150.3M

Positions

- No layoffs or reduced services
- Turnover adjustment was re-aligned to vacancies in budget to account for timing of filling vacant positions
- Funding for personnel remained flat compared with FY 2013. Increasing personnel costs were offset by accounting for timing of filling vacant positions
- Budget resolution provides mechanism for CCHHS to receive revenue above budgeted amount subject to board approval



Total Positions by Year



Cook County Health & Hospitals System

FY 2014 Personnel Summary by Department

Department	FY 2014 Proposed
240 - Cermak	579.1
241 - JTDC - Health	37.0
890 – Health System Administration	647.0
891 – Provident Hospital	357.5
893 - ACHN	620.0
894 - CORE	69.6
895 - Public Health	148.0
896 – Managed Care	266.3
897 – Stroger Hospital	3,905.6
898 - Oak Forest Health Center	115.0
Total	6,745.1